



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 1031** HLS 22RS 432
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ SEN COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: June 1, 2022	12:09 PM	Author: FREIBERG
Dept./Agy.: Louisiana Department of Revenue		Analyst: Prashant Sastry
Subject: Road usage fees for electric and hybrid vehicles		

MOTOR VEHICLES RE1 INCREASE SD RV See Note Page 1 of 1
 Imposes a road usage fee on certain electric and hybrid vehicles

Proposed law levies a road usage fee not to exceed \$110 per year on each electric vehicle and an annual road usage fee not to exceed \$60 per year on each hybrid vehicle operated on state highways which are required to be registered in accordance with present law. Proposed law defines "electric vehicle", "hybrid vehicle" and "owner". Proposed law authorizes the Secretary of the Louisiana Department of Revenue (LDR) to collect the fees imposed by proposed law and requires that the fees shall be due on or before May 15th for the preceding year in which the electric vehicle or hybrid vehicle was operated on the highways of the state. Proposed law authorizes that the Secretary of LDR, in consultation with the Secretary of the Department of Transportation, shall promulgate rules under proposed law relative to developing a prorated fee schedule applicable to electric vehicles that operate in the state for less than one year; prescribing and publishing returns, forms, schedules, and methods upon which the fee is levied; and to provide for the collection and administration procedures necessary to administer proposed law. Proposed law requires proceeds from the fees generated to be deposited as follows: 70% of the proceeds be deposited into the Construction Subfund of the Transportation Trust Fund; 30% of the proceeds be deposited into the Parish Transportation Fund and distributed to local governments in accordance with the formula set forth in present law. Proposed law exempts school buses.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total		\$0	\$0	\$0	\$0	\$0

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

LDR reports that implementation of proposed law will result in approximately \$61,680 in additional expenditures related to programming, testing, and system development. LDR reports that it will absorb these costs in its existing operating budget for the implementation and administration of this law.

REVENUE EXPLANATION

Proposed law will increase revenues for the constitutionally dedicated Construction Subfund of the Transportation Trust Fund and the Parish Transportation Fund by an indeterminable amount. Proposed law levies a road usage fee of \$110 per year on each electric vehicle and a road usage fee of \$60 per year on each hybrid vehicle. If less than one year, the fees shall be prorated based on the days the vehicle has operated in the state

The proceeds of the fees imposed by proposed law shall be deposited as follows:

- (1) 70% of the proceeds shall be deposited into the Construction Subfund of the Transportation Trust Fund for use by the Department of Transportation and Development on road and bridge preservation projects included in the Highway Priority Program
- (2) 30% of the proceeds shall be deposited into the Parish Transportation Fund and distributed to local governments in accordance with the formula set forth in present law.

LDR cites a 2021 report by the Louisiana Clean Cities that estimates that as of September 2020, there were 2,929 vehicles in Louisiana that would be required to register under proposed law (1,750 electric vehicles and 1,179 hybrid vehicles). Based on these estimates, the road usage fees would generate an annual revenue of \$263,240 (1,750 EVs x \$110/yr. = \$192,500 plus 1,179 hybrids x \$60/yr. = \$70,740 totals \$263,240). However, the LFO cannot independently verify the number of electric vehicles and hybrid vehicles currently registered in the state, nor can it forecast the number of electric and hybrid vehicles that will register in the future.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
 Interim Deputy Fiscal Officer